

APPENDIX G

PROBABLE STATE INCOME TAX LIABILITY

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STATE INCOME TAXATION OF MILITARY PERSONNEL AND UNITED STATES CITIZENS RESIDING OUTSIDE OF THE UNITED STATES

Introduction

This report examines and summarizes the laws of the fifty states and the District of Columbia respecting the taxation of income of United States citizens domiciled within the state but residing abroad. Specifically, the report is divided into four substantive sections, examining different features of state tax law.

Section I of this report discusses the definition of domicile used by each state for income tax purposes and the broad tax base adopted by many states, which can result in the inclusion of foreign income earned by domiciliaries of the state. This Section is divided into a discussion of the definition of domicile and residency for state income tax purposes, the tax base used by the state, and the probable income tax obligation in each of these states for domiciliaries residing abroad. In addition, special note is made where state domicile or residency is determined in whole or in part by voting within the state and where special rules apply to military personnel.

In regard to the special rules applicable to military personnel, a number of states merely refer to the tax provisions of the Soldiers' and Sailors' Civil Relief Act of 1940, presently found at 50 U.S.C. App. Sec. 574. Generally, this Section provides that for state income tax purposes, an individual does not lose domicile in a specific state solely "by reason of being absent therefrom in compliance with military or naval orders. . ." The same law also provides that, for state income tax purposes, an individual does not acquire residence or domicile solely because of location under military orders. The Act further states that, where an individual is not deemed to reside or be domiciled in a state, military income will be treated by that state as non-resident income not earned within the state.

Section II of this report discusses the laws of those states which permit their domiciliaries or citizens to credit against state income tax liabilities the taxes paid to a foreign government. In many cases, these states merely permit credit of any taxes paid outside of the state, to other states or to foreign governments.

Section III of this report discusses the laws of those states which provide a general or limited exemption from income of a portion of the earned income of United States citizens residing abroad to the same extent as does Federal law. This Section of the report, however, may create some difficult construction problems, because several states have not taken into account changes in the Federal foreign earned income rules made in 1981.

Prior to the Tax Reform Act of 1976 and the Foreign Earned Income Act of 1978, Section 911 of the Internal Revenue Code (hereafter "Code") permitted United States citizens who reside abroad to exclude from their gross income up to \$25,000 of income earned abroad. The Tax Reform Act of 1976, Pub. L. 94-455, 94th Cong., 2d Sess. (1976), sought to limit and modify the rules of Code Section 911. Concern over the potential impact of this provision, however, led to its suspension in 1977. Pub. L. 95-30, 95th Cong., 1st Sess. (1977). The Foreign Earned Income Act of 1978, Pub. L. 95-615, 95th Cong., 2nd Sess. (1978), provided new rules for the treatment of the income earned abroad by United States citizens. Under revised Sections 911 through 913 of the Code, United States citizens residing abroad were entitled to a series of special deductions if they incurred extraordinary living and other costs. Generally, these special deductions included an "excess living cost deduction" under Code Section 913, a special \$5,000 deduction for taxpayers working in certain hardship areas, a \$20,000 deduction for taxpayers working in camps in certain hardship areas, and a liberalized moving expense deduction. See Staff of the Joint Committee on Taxation, 96th Cong., 1st Sess., General Explanation of the Foreign Earned Income Act of 1978 (February 23, 1979) (Committee Print).

The Economic Recovery Tax Act of 1981, Pub. L. 97-34, 97th Cong. 1st Sess. (1981), essentially returned to the pre-1976 system. Instead of the previous law's deductions and exclusions, the new amendment provided for two exclusions -- part of the foreign earned income of the individual and a housing cost amount. With respect to the first, taxpayers living abroad who were present in a foreign country or countries for 330 days out of any 12 consecutive months were able to exclude up to \$75,000 of foreign earned income in 1982. Each year after 1982 until

1986, the excludable amount of income was to increase by \$5,000. Pub. L. 98-369, 98th Cong., 2nd Sess. (1984), set the exclusion for 1983-1986 at \$80,000 and delayed the increases to \$95,000 until 1990. The Tax Reform Act of 1986, Pub. L. 99-514, 99th Cong., 2nd Sess. (1986), reduced the exclusion to \$70,000 for tax years 1987 and thereafter.

The housing cost amount is the excess of the taxpayer's expenses over a base housing amount. The base housing amount is equal to 16 percent of the salary of a GS-14 government employee. As of January 1, 1997 this salary is \$64,555 so that the current base housing amount would be \$10,328.80. Housing costs provided by an employer may also be excluded from the gross income of the employee. In line with this, Section 119 of the Code was also amended to provide that lodging furnished in an overseas camp may be excluded from the employee's income.

It should be noted that neither exclusion is applicable to wages paid by the United States government even if the Federal employee is residing abroad. (For further information, consult the conference committee report on the Economic Recovery Tax Act of 1981, S. Rept. No. 176, 97th Cong., 1st Sess. 20-26, 203-205 (1981) and the conference committee report on the Tax Reform Act of 1986, H. Rept. 99-841, 99th Cong., 2nd Sess., 636 (1986)).

Section IV of this report lists those states which do not impose an income tax. Since no income tax is imposed, there can really be no substantive discussion of the treatment of United States citizens domiciled in the state but residing abroad. Seven states impose no income tax. States which tax only certain types of income, such as dividends and interest (see discussions of New Hampshire and Tennessee) are discussed under the general tax provisions in Section I.

Since the Tax Reform Act of 1976 (Public Law 94-455) removed the prohibition on withholding of state income taxes from the pay of members of the armed services, most states and the District of Columbia have signed agreements with the Treasury Department which provide for the withholding of state income taxes from the pay of service members. The text of the standard agreement may be found at 31 CFR 215.6 - 13 (1997). The following states do not have standard agreements with the Treasury Department to withhold state income taxes from the pay of members of the armed services: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

The information contained in this report is accurate through the end of the 1996 legislative session of each state.

I. STATES WITH NO FOREIGN TAX CREDIT OR EXEMPTION PROVISION

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Alabama	<p>Domicile, maintaining a permanent place of abode within the State, or spending in the aggregate more than seven months of the year within the State. Ala. Code tit. 40, Sec. 18-2(7).</p> <p>Voting in Alabama is a factor considered by the courts in determining whether an individual is domiciled in Alabama for tax purposes. <i>State ex rel. Rabren v. Baxter</i>, 46 Ala. App. 134, 239 So. 2d 206 (1970).</p> <p>The Alabama Tax Regulations state that military personnel domiciled in Alabama, continue to be domiciliaries, irrespective of their period of absence or actual place of residence until proof of change of domicile or residence has been made. If domicile has changed, the burden of proof is on the taxpayer though he owns no property, earns no income, and has no place of abode in Alabama. Ala. Tax. Regs., 810-3-2-.01.</p>	<p>The entire net income of domiciliaries and residents as defined by the statute. Ala. Code tit. 40, Sec. 18-2.</p> <p>Non-residents taxable on income from property owned or business transacted in Alabama. Ala. Code tit. 40, Sec. 18-2(6).</p> <p>Resident military personnel taxable on entire net income except income received for active combat duty. Ala. Code tit. 40, Sec. 18-3.</p> <p>Non-resident military personnel are not taxed on military pay received while stationed in Alabama. Ala. Tax. Reg., 810-3-2-.01(3)(a)-(e).</p> <p>Wives of military personnel taxable on income earned within the State. Military personnel taxable on non-military income earned within the State.</p>	<p>Residents -- Subject to State income tax on all income.</p> <p>Non-residents -- Taxable on income from property owned or business transacted in Alabama.</p> <p>Resident military personnel --Subject to State income tax on all income except income received for active combat duty.</p> <p>Non-resident military personnel --Subject to State income tax on non-military income earned within the State.</p> <p>Wives of military personnel --Taxable on income earned within the State.</p>
Arkansas	<p>Residents and non-residents -- The term resident is defined to include any natural person domiciled in the state and any natural person who maintains a permanent place of abode in the state and spends in the aggregate more than six months of the taxable year within the state. Ark. Code Ann. 26-51-102(9).</p> <p>The Arkansas Tax Regulations state that a domicile does not end by physical absence alone and is presumed to continue until a new domicile is legally established. The regulations contain a fact sheet listing the various factors to be taken into consideration in determining whether a new domicile has been established. The elements of a new domicile on the fact sheet include: voter registration and exercise of suffrage during the last three elections, domicile of birth, physical presence, expressed intention, family residence, duty causing absence from Arkansas, state licenses, location of substantial real and property holdings, community affiliations, business interests bulk or necessary purchases, utility or telephone deposits, and local taxes and licenses. Ark. Tax. Reg., Art. 1.84-2002(10). The Arkansas Tax Regulations state that any resident member of the armed forces who at the time of the induction into such service was a resident of this state, continues to be a resident of this state, even though he or she has been inducted into the armed service outside of the state and does not return to the state until after such service is ended. A member of the armed service who at the time of induction was a resident in any state other than Arkansas is for income tax purposes a non-resident even though he was inducted into the service within Arkansas and he remains in the Service within Arkansas. Ark. Tax. Reg., Art. 1.84-2010.</p>	<p>The entire income of every resident as defined by the statute. Ark. Code Ann. 26-51-201(a). The entire net income of non-residents from all property owned, and from every business, trade or occupation carried on in Arkansas. Ark. Code Ann. 26-51-202(a).</p> <p>Resident military personnel taxable on all income except for the first \$6,000 of service pay. Ark. Code Ann. 26-51-306(a)(1). Non-resident military personnel taxable on net income from non-military sources earned within the state. Ark. Code Ann. 26-51-306(b).</p> <p>Internal Revenue Code Secs. 112 and 692, concerning taxation of combat pay and pay of military personnel for the year they die in combat, are adopted by reference and these types of income are not included in the \$6,000 exemption. Ark. Code Ann. 26-51-306(a)(4).</p>	<p>Resident -- Subject to state income tax on all income.</p> <p>Non-residents -- Subject to state income tax on all net income from sources within the state as previously defined.</p> <p>Resident military personnel --Subject to state income tax on entire income except for the first \$6,000 of service pay. Combat pay is exempt and all income in the year of death in combat is exempt.</p>

I. STATES WITH NO FOREIGN TAX CREDIT OR EXEMPTION PROVISION

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
California	<p>Residents -- The term resident for income tax purposes includes: (a) every individual who is in the state for other than a temporary or transitory purpose, and (b) every individual domiciled in the state who is outside the state for a temporary or transitory purpose. If such person is absent for at least 546 consecutive days under an employment dated contract, they are not considered to be outside the state for a temporary or transitory purpose. Any individual who is a resident of the state continues to be a resident even though temporarily absent from the state. An individual domiciled in California is absent from the state for a temporary purpose if such absence is by reason of (1) holding an elected or appointed office in the Federal Government or (2) working on the staff of an elected officer of the legislative branch of the U.S. Government. Cal. Rev. & Tax Code Sec. 17014.</p> <p>Every individual who spends in the aggregate more than nine months of the taxable year within the state is presumed to be a resident. Cal. Rev. & Tax Code Sec. 17016.</p> <p>The California Franchise Tax Board has decided that a Career Serviceman becomes a non-resident when he leaves California under permanent change of station orders. FTB, LR 300, April 23, 1965. A member of the armed forces is not a resident of the state where his presence resulted from military orders and his assignments were temporary in nature. FTB, LR 300, April 23, 1965.</p> <p>A non-resident woman who marries a California resident while he is serving in the armed forces outside of California is not a resident of California until they return to California. FTB, LR 149, Dec. 5, 1958.</p> <p>The California State Board of Equalization stated that a merchant seaman who owns a home and maintains a bank account in California and who is not a resident of any other state is considered to be a resident of California for tax purposes, even though he spent two hundred and ten days aboard ship. Appeal of Bernard and Helen Fernandez, SBE, June 2, 1971.</p>	<p>The entire taxable income of a resident of the state. Cal. Rev. & Tax Code Sec. 17041(a). The entire taxable income of a non-resident of the state which is derived from sources within the state. Cal. Rev. & Tax Code Sec. 17041(b).</p> <p>Non-resident military personnel are not taxed on military income received while stationed in California. Spouses of military personnel taxable on income derived from sources within the state.</p> <p>Gross income shall not include compensation for military service performed by a non-resident and attributable to a resident spouse solely by application of any community property law or rule. Cal. Rev. & Tax Code Sec. 17140.5</p> <p>Military personnel, formerly non-residents of California, do not, by merely registering to vote in California, become residents of California within the meaning of the Personal Income Tax Law. [official syllabus] FTB, LR 54, June 27, 1958.</p>	<p>Residents -- Subject to state income tax on all taxable income. Non-residents -- Subject to state income tax on all taxable income derived from sources within the state.</p> <p>Resident military personnel --Subject to state income tax on all taxable income.</p> <p>Non-resident military personnel --Subject to state tax on non-military taxable income derived from sources within the state.</p> <p>Wives of military personnel --Subject to state income tax on all taxable income derived from sources within the state.</p>
District of Columbia	<p>Residents -- The word resident is defined as every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 183 days of the taxable year, whether domiciled in the District or not. D.C. Code tit. 47, Sec. 1801.4. Under an earlier District of Columbia tax law, the Supreme Court held that whether or not a person votes where he claims domicile is highly relevant, but by no means controlling on the question whether he is domiciled in the District of Columbia, nor is failure to vote elsewhere conclusive that domicile is in the District. <i>District of Columbia v. Murphy</i>, 314 U.S. 441 (1941); <i>see also District of Columbia v. Woods</i>, 465 A.2d 385 (1983).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire net income of residents. D.C. Code Sec. 47-1806.1. The District of Columbia is precluded from levying a non-resident income tax by Public Law 93-198 Sec. 602(a), 87 Stat. 813; D.C. Code Secs. 1-233(a)(5); 47-1801.4.</p> <p>See Internal Revenue Code Sec. 104(a)(4).</p>	<p>Residents -- Subject to D.C. income tax on net income.</p> <p>Non-residents -- Not subject to the income tax.</p> <p>Military personnel -- Not subject to income tax on pensions or annuities up to \$3000. D.C. Code Sec. 47-1803.2.</p>

I. STATES WITH NO FOREIGN TAX CREDIT OR EXEMPTION PROVISION

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Louisiana	<p>Residents and non-residents -- The term resident is defined as every natural person domiciled in the state, and every other natural person who maintains a permanent place of abode within the state or who spends in the aggregate more than six months of the taxable year within the state. La. Rev. Stat. Sec. 47-31.</p> <p>The Louisiana Tax Regulations state that domicile is a factual determination of intent to remain in or return to Louisiana. Examples in the Regulations indicate that an individual may spend large portions of his or her time outside of Louisiana without relinquishing domicile. La. Inc. Tax Regs. Sec. 31.2.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The net income of residents defined generally as gross income of whatever kind minus the deductions allowed. La. Rev. Stat. Sec. 47-41.</p> <p>For definition of gross income see La. Rev. Stat. Sec. 47-42), Taxable Income see La. Rev. Stat. Sec. 47-293(5).</p> <p>The net income of non-residents earned or derived from sources within the state. La. Rev. Stat. Secs. 47-31(2), 47-241, 47-293(7).</p> <p>The gross income of military personnel does not include pensions or annuities for sickness incurred in the armed forces. La. Rev. Stat. Sec. 47-46(4).</p> <p>Military pay of non-resident servicemen stationed within Louisiana is not taxable by Louisiana. See Soldiers' and Sailors' Relief Act, <i>supra</i>.</p>	<p>Residents -- Subject to tax on all income reportable for federal purposes with certain exceptions. Non-residents -- Subject to tax on net income derived from sources within Louisiana.</p> <p>Resident military personnel -- Subject to tax on military compensation except for pensions or annuities for personal injuries or sickness incurred in the armed forces.</p> <p>Non-resident military personnel -- Subject to tax on non-military pay from sources within Louisiana.</p>
Mississippi	<p>Residents and non-residents -- The term resident is defined as any person domiciled in the state and any other person who maintains a legal or actual residence within the state. Miss. Code Sec. 27-7-3(e).</p> <p>The term non-resident is defined as any natural person whose domicile and place of abode is without the state. Miss. Code Sec. 27-7-3(f). The Mississippi Tax Regulations define legal resident as one who maintains a place of abode in Mississippi or who exercises legal rights such as voting. One can be a legal resident though domiciled elsewhere. Miss. Tax Reg. Sec. 1.27-7-3(5)(c); <i>State Tax Commission of the State of Mississippi v. Earnest</i>, 627 So.2d 313 (1993).</p> <p>The Mississippi Tax Regulations state that members of the armed forces who claim Mississippi as their state of legal residence/domicile are liable for Mississippi income tax on their income. Non-resident members of the armed forces stationed in Mississippi, who realize income from non-military sources within the state must file a non-resident Individual Income Tax Return. Miss. Tax Regs. 1.27-7-15(34).</p>	<p>The entire net income of residents. Miss. Code Sec. 27-7-5. The entire net income of non-residents from sources within Mississippi. Miss. Code Sec. 27-7-5(3).</p> <p>Mississippi excludes from gross income: (1) the first \$500 per month received as compensation for active service in a combat zone or during hospitalization as a result of such service and, (2) hazardous duty combat pay to members of the armed forces. Miss. Code Sec. 27-7-15(4)(j), (n).</p> <p>The entire income of spouses of military personnel of non-military pay from sources within Mississippi is taxable. Miss. Tax Regs. 1.27-7-15(34).</p>	<p>Residents -- Subject to tax on their entire net income.</p> <p>Non-residents -- Subject to tax on their entire net income from sources within Mississippi.</p> <p>Military personnel -- Not subject to income tax on: (1) the first \$500 per month compensation for active service in a combat zone or during hospitalization as a result of such service and, (2) hazardous duty combat pay.</p> <p>Spouses of military personnel -- Subject to tax on non-military pay from sources within Mississippi.</p>
New Hampshire	<p>Taxes inhabitants or residents on interest and dividend income. N.H. Rev. Stat. Ann. Sec. 77:3.</p>	<p>Interest and dividend income over \$1,200 per year. N.H. Rev. Stat. Ann. Sec. 77:5.</p> <p>No mention is made of military personnel.</p>	<p>Inhabitants or residents -- subject to tax on interest and dividends over \$1,200.</p>
New Jersey	<p>Residents -- Residents means</p> <p>(1) domiciliaries unless they maintain no permanent place of abode in the state, maintain a permanent place of abode elsewhere, and spend an aggregate of not more than 30 days in the state or (2) persons not domiciled in New Jersey who maintain a permanent place of abode in the state and spend an aggregate of more than 183 days in the state, unless such individual is in the armed forces of the United States. N.J. Stat. Ann. 54A:1-2(m).</p> <p>Non-residents -- Non-resident means a taxpayer who is not a resident. N.J. Stat. Ann. 54A:1-2(n).</p>	<p>Residents -- New Jersey gross income as defined by statute. N.J. Stat. Ann. 54A:5-1.</p> <p>Credit allowed for tax paid other state on income subject to New Jersey income tax. N.J. Stat. Ann. 54A:4-1.</p> <p>Non-residents -- Specified categories of New Jersey gross income to the extent they are earned, received or acquired from New Jersey sources. N.J. Stat. Ann. 54A:5-8.</p> <p>New Jersey excludes from gross income: (1) pensions and annuities for personal injuries or sickness resulting from active service in the armed forces of the United States; (2) compensation for service in the armed forces of the United States to an individual not domiciled in New Jersey; and (3) mustering-out payments to members of the armed forces of the United States. N.J. Stat. Ann. 54A:6-6, 54A:6-7.</p>	<p>Resident -- Subject to tax on their entire New Jersey gross income.</p> <p>Non-residents -- Subject to tax on the specified categories of New Jersey gross income from New Jersey sources.</p> <p>Military personnel -- Resident - subject to tax on entire income.</p> <p>Non-resident -- not subject to tax on military income. Subject to tax on specified New Jersey gross income from New Jersey sources.</p>

I. STATES WITH NO FOREIGN TAX CREDIT OR EXEMPTION PROVISION

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Tennessee	Persons in the state -- The term person is defined as every natural person, inhabitant, resident... any person who has a legal domicile in Tennessee... every person who maintains a place of residence for more than six months in the tax year... regardless of what place such person may claim as legal domicile. Tenn. Code Sec. 67-2-101(5).	(1) The income of persons in the State from dividends on stock and interest on bonds. Tenn. Code Ann. Sec. 67-2-102. No interest or penalties may be assessed against service member serving in combat zone or hospitalized as result of injury in a combat zone. Tenn. Code Sec. 67-2-114(a). Persons in the state -- Subject to tax on dividends from stock and interest on bonds.	Persons in the state -- Subject to tax on dividends from stock and interest on bonds. Resident military -- Subject to tax on dividends from stock and interest on bonds.

II. STATES GRANTING AN INCOME TAX CREDIT FOR FOREIGN INCOME TAX PAID

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Arizona	Residents and certain non-residents -- The term resident includes: (1) every individual who is in the state for other than a temporary or transitory purpose, and (2) every individual domiciled in the state who is outside the state for a temporary or transitory purpose. Every individual who spends in the aggregate more than nine months of the taxable year within the state is presumed to be a resident. Ariz. Rev. Stat. Ann. Secs. 43-104(14), 43-104(19). See Soldiers' and Sailors' Civil Relief Act. 50 U.S.C. App. Sec. 574.	The entire taxable income of every resident and the entire taxable income of every non-resident which is derived from sources within the state. Ariz. Rev. Stat. Ann. Sec. 43-1011. Residents are allowed a credit only for taxes paid to the other state or country on income derived from sources within that state or country which is taxable under the foreign laws without regard to the residence or domicile of the recipient. No credit is allowed if the other state or country allows residents of Arizona a credit against taxes imposed by that state or country for taxes paid to Arizona. Ariz. Rev. Stat. Ann. Sec. 43-1071. Non-residents are allowed a credit against Arizona taxes on income derived from sources within Arizona only if (1) the foreign country does not tax income of residents of Arizona derived from sources within that country or (2) allows residents of Arizona credit against taxes imposed by that country on such income for taxes paid to Arizona. Ariz. Rev. Stat. Ann. Sec. 43-1096.	Residents -- Subject to tax on entire net income with the possibility of receiving a credit for foreign taxes paid. Non-residents -- Subject to tax on net income derived from sources within Arizona with the possibility of receiving a credit for foreign taxes paid on such income.
Hawaii	Residents and certain non-residents -- A resident is defined as every individual who resides in the state for other than a temporary or transitory purpose. Every individual who is in the state more than 200 days of the taxable year in the aggregate is presumed to be a resident. This presumption may be overcome by evidence satisfactory to the Department of Taxation that the individual maintains a permanent place of abode outside of the state and is in the state for a temporary or transitory purpose. No person shall be deemed to have gained or lost a residence simply because of his presence or absence in compliance with military or naval orders. Haw. Rev. Stat. Sec. 235-1.	The entire income of all residents. The income received or derived from property owned, personal services performed, trade or business carried on, and any and every other source in the state by a non-resident. Haw. Rev. Stat. Sec. 235-4(a), (b). Residents are allowed a credit for taxes paid to an other state or country, which are paid on income derived from sources outside the state. Haw. Rev. Stat. Secs. 231-15.8(b), 235-55(a). Hawaii excludes combat pay from the gross income of resident members of the armed services. Haw. Rev. Stat. Sec. 235-7(a)(5). The first \$1,750 of income to members of the armed forces reserves is also excluded from gross income. Haw. Rev. Stat. Sec. 235-7(a)(7). Hawaii does not allow an exclusion for cost-of-living allowances and other payments exempted by Section 912 of the Internal Revenue Code. Haw. Rev. Stat. Sec. 235-7(b).	Residents -- Subject to tax on all income, with the possibility of a credit for foreign taxes paid. Non-residents -- Subject to tax on income derived from sources within Hawaii, with the possibility of a credit for foreign taxes paid. Military personnel -- Subject to tax on military compensation with the exclusion of combat pay.

II. STATES GRANTING AN INCOME TAX CREDIT FOR FOREIGN INCOME TAX PAID

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Maine	<p>Residents and non-residents -- The term resident is defined as an individual who is domiciled in Maine; or who is not domiciled in Maine, but maintains a permanent place of abode in Maine and spends in the aggregate more than 183 days of the taxable year in this state, unless he is in the armed forces of the United States. Me. Rev. Stat. tit. 36 Sec. 5102.</p> <p>The term non-resident is defined as an individual who is not a resident. Me. Rev. Stat. tit. 36 Sec. 5102.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The taxable income of residents is defined as federal adjusted gross income allocated to state sources with certain modifications not herein relevant. Since Maine computes its own taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Maine taxable income. Me. Rev. Stat. tit. 36 Secs. 5121.</p> <p>The portion of federal adjusted gross income of non-residents derived from sources within the state. Me. Rev. Stat. tit. 36 Secs. 5142.</p> <p>A resident is allowed a tax credit for taxes paid to another state or foreign country. Me. Rev. Stat. tit. 36 Sec. 5217A.</p> <p>If a taxpayer is regarded as a resident of Maine and another jurisdiction for the purpose of personal income taxation, the tax assessor shall reduce the tax on that portion of the taxpayer's income which is subjected to tax in both jurisdictions, provided that the other taxing jurisdiction allows a similar reduction. Me. Rev. Stat. tit. 36 Sec. 5128.</p> <p>Since Maine computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of Maine taxable income. Me. Rev. Stat. tit. 36 Sec. 5121.</p>	<p>Residents -- Subject to tax on taxable income in excess of the exclusions under Secs. 911-912 of the Internal Revenue Code with the possibility of a reduction of taxes for taxes paid to another jurisdiction.</p> <p>Non-residents -- Subject to tax on the portion of federal adjusted gross income derived from sources within Maine with the possibility of a reduction in taxes for taxes paid to another jurisdiction.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

II. STATES GRANTING AN INCOME TAX CREDIT FOR FOREIGN INCOME TAX PAID

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Massachusetts	<p>Residents and certain non-residents -- The term resident or inhabitant is defined as (1) any natural person domiciled in the Commonwealth (2) a non-domiciled natural person who has a permanent place of abode and spends over one hundred and eighty three days in the Commonwealth. The term non-resident is defined as any natural person whose domicile is outside the Commonwealth. Mass. Gen. L. Ann. ch. 62, Sec. 1(f).</p> <p>The Massachusetts Board of Tax Appeals has ruled that change of domicile from the Commonwealth to a foreign country requires greater proof of intent to abandon domicile than a change of domicile between states of the United States. <i>Farr v. Commissioner</i>, 1 Mass. B.T.A. 467 (1932).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The taxable income of residents defined as federal adjusted gross income. However, Massachusetts does not allow the exclusion of income from sources without the United States in the computation of Massachusetts taxable income. Mass. Gen. L. Ann. ch. 62 Secs. 2(a)(1)(C). Massachusetts allows a credit for taxes paid to other states or the Dominion of Canada or any of its provinces, with certain limitations. Mass. Gen. L. Ann. ch. 62 Sec. 6(a).</p> <p>The portion of federal adjusted gross income of non-residents derived from sources within Massachusetts. Mass. Gen. L. Ann. ch. 62 Sec. 5A(a).</p> <p>The compensation paid to military personnel for active duty shall be deemed to be from sources other than sources within the Commonwealth. Mass. Gen. L. Ann. ch. 62 Sec. 5A(c).</p>	<p>Residents -- Subject to tax on federal adjusted gross income without the exclusion under Sec. 911 of the Internal Revenue Code for income derived from sources without the United States. A credit for taxes paid to other states or Canada or its provinces is allowed.</p> <p>Non-residents -- Subject to tax on the portion of federal adjusted gross income derived from sources within Massachusetts.</p> <p>Military personnel--Compensation paid to military personnel for active duty shall be deemed to be from sources other than sources within the Commonwealth.</p>
Montana	<p>Residents and non-residents -- The term resident is defined as any natural person domiciled in the state or who maintains a permanent place of abode within the state even though temporarily absent from the state and who has not established a residence elsewhere. Mont. Code tit. 15 Sec. 30-101(16).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire adjusted gross income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Montana defines its adjusted gross income in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Montana adjusted gross income. Mont. Code tit. 15 Sec. 30-111.</p> <p>(2) The entire earned income of non-residents derived from sources within Montana. Mont. Code tit. 15 Sec. 30-131.</p> <p>(3) Montana excludes remuneration paid for active service as a member of the armed forces of the United States from the definition of taxable wages for residents. Mont. Code tit. 15 Sec. 30-116(2).</p> <p>Residents are allowed a credit for taxes paid to other states or foreign countries. Mont. Code tit. 15 Sec. 30-124.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion of Secs. 911-912 of the Internal Revenue Code. Foreign credit is allowed.</p> <p>Non-residents -- Subject to tax on net income derived from sources within Montana.</p> <p>Military personnel -- Not subject to tax on military compensation.</p>
North Carolina	<p>Residents and non-residents -- The term resident is defined as an individual who is domiciled in the state for other than a temporary or transitory purpose. Absent other evidence, residence in the state for over 183 days of the taxable year raises the presumption that the individual is a resident. N.C. Gen. Stat. Sec. 105-134.1(12).</p> <p>The term non-resident is defined as any individual who is not a resident. N.C. Gen. Stat. Sec. 105-134.1(9).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The net income of residents as defined under N.C. Gen. Stat. Sec. 105-134.5(a).</p> <p>(2) The net income of non-residents for income derived from sources within North Carolina. N.C. Gen. Stat. Sec. 105-134.5(b).</p> <p>North Carolina allows its residents a credit against taxes paid to another state and/or foreign countries in certain instances. N.C. Gen. Stat. Sec. 105-151.</p>	<p>Residents -- Subject to tax on net income with the possibility of a tax credit for taxes paid to another state and/or foreign country.</p> <p>Non-residents -- Subject to tax on net income derived from sources within North Carolina.</p> <p>Military personnel -- Subject to tax on military compensation.</p>

II. STATES GRANTING AN INCOME TAX CREDIT FOR FOREIGN INCOME TAX PAID

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Pennsylvania	<p>Residents and non-residents -- The term resident is defined to include both (1) domiciliaries, unless the domiciliary maintains no permanent place of abode within the Commonwealth, maintains a permanent place of abode outside the Commonwealth and resides within the Commonwealth for less than thirty days of the taxable year, and (2) non-domiciliaries maintaining a permanent place of abode within the Commonwealth for more than 183 days of the taxable year. Pa. Stat. tit. 72 Sec. 7301(p).</p> <p>Non-resident is defined as any individual who is not a resident. Pa. Stat. tit. 72 Sec. 7301(m).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire income of residents defined under Pa. Stat. tit. 72 Sec. 7303.</p> <p>(2) The income of non-residents derived from sources within Pennsylvania. Pa. Stat. tit. 72 Sec. 7303.</p> <p>Pennsylvania allows residents a credit for taxes paid to another state and/or foreign country on income also subject to tax in Pennsylvania. Pa. Stat. tit. 72 Secs. 7301(t), 7314.</p> <p>Military compensation for active duty performed outside of Pennsylvania is exempt from taxation. Pa. Stat. tit. 72 Sec. 7303(a)(1).</p>	<p>Residents -- Subject to tax on income with a credit for taxes paid to another state and/or foreign country on income also subject to tax in Pennsylvania.</p> <p>Non-residents -- Subject to tax on income from sources within Pennsylvania.</p> <p>Military personnel -- Subject to tax on military income except for compensation for active duty performed outside of Pennsylvania.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW (Sections 911-912 of the Internal Revenue Code)

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Colorado	<p>Resident individuals and non-residents -- The term resident individual means a natural person who maintains a permanent place of abode within the state and who spends in the aggregate more than six months of the taxable year within the state. A non-resident individual means an individual other than a resident individual. Colo. Rev. Stat. Sec. 39-22-103(8).</p> <p>The Colorado Tax Regulations state that domicile is a factual matter and that the individual's intent controls. The Regulations also state that domicile, once established is not lost until a new domicile is established. Sec. 39-22-103(8).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted gross income of resident individuals, with certain modifications not herein relevant. Colo. Rev. Stat. Sec. 39-22-104.</p> <p>Since Colorado computes its own taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Colorado taxable income. Colo. Rev. Stat. Sec. 39-22-104.</p> <p>The entire federal adjusted gross income of non-resident individuals derived from sources within Colorado. Colo. Rev. Stat. Sec. 39-22-109.</p> <p>For purposes of determining income tax liability, Colorado disregards the time period during which an individual is a member of the armed forces of the United States:</p> <p>(1) commencing with a declaration of war by Congress and ending twelve months after the termination of the war; and (2) when an individual is serving in an area designated as a combat zone and a period of one hundred and eighty days after such service. Colo. Rev. Stat. Sec. 39-22-610.</p> <p>Colorado subtracts retirement pay, pensions and annuities of members of the armed forces to the extent included in federal adjusted gross income not to exceed \$20,000 in any one taxable year. Colo. Rev. Stat. Secs. 39-22-104(f). Since Colorado computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of Colorado taxable income. Colo. Rev. Stat. Sec. 39-22-104(1).</p>	<p>Resident individuals -- Subject to state income taxation on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code).</p> <p>Non-resident individuals -- Subject to state income tax on federal adjusted gross income attributable to sources within Colorado.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Connecticut	<p>Residents -- Resident means</p> <p>(1) domiciliaries unless they maintain no permanent place of abode in the state, maintain a permanent place of abode elsewhere and spend in the aggregate not more than 30 days of the taxable year in the state and (2) non-domiciliaries who maintain a permanent place of abode in the state and are in the state for an aggregate of more than 183 days. Conn. Gen. Stat. Ann. 12-701(a)(1).</p> <p>Non-resident is defined as any individual who is not a resident. Conn. Gen. Stat. Ann. 12-701(a)(2).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted gross income of resident individuals, with certain modifications not herein relevant. Conn. Gen. Stat. Ann. 12-700 and 701(a)(19) & (20).</p> <p>Since Connecticut computes its own taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Connecticut taxable income. Conn. Gen. Stat. Ann. 12-700.</p> <p>The entire federal adjusted gross income of non-resident individuals derived from sources within Connecticut. Conn. Gen. Stat. Ann. 12-700.</p>	<p>Resident individuals -- Subject to state income taxation on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code).</p> <p>Non-resident individuals -- Subject to state income tax on federal adjusted gross income attributable to sources within Connecticut.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>
Delaware	<p>Resident individuals and non-resident individuals. A resident individual is defined as one who is domiciled in the state for any part of the taxable year to the extent of the period of such domicile; or maintains a place of abode in the state and spends more than 183 days of the taxable year in the state. Del. Code Ann. 30-1103.</p> <p>A non-resident individual is defined as one who is not a resident individual of the state. Del. Code Ann. 30-1104.</p> <p>The Delaware Superior Court has held that an individual who had moved to Washington, D.C. to take employment, but who continued to vote in Delaware, had, nevertheless, abandoned his Delaware domicile. The court found that the voting, which it termed "illegal," did not prove Delaware domicile. <i>Mitchell v. Delaware State Tax Commissioner</i>, 42 A.2d 19 (Del. Supr. Ct. 1945).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire taxable income of every resident individual defined as such individual's federal adjusted gross income with certain modifications not herein relevant. Del. Code Ann. 30-1102 and 30-1105. Since Delaware computes its own taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Delaware taxable income.</p> <p>The taxable income of a non-resident individual defined as that part of his federal adjusted gross income derived from sources within the State. Del. Code Ann. 30-1102(a).</p> <p>Since Delaware computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of Delaware taxable income. Del. Code Ann. 30-1105.</p>	<p>Resident individuals -- Subject to state income taxation on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code).</p> <p>Non-resident individuals -- Subject to state income tax on federal adjusted gross income attributable to sources within Delaware.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Georgia	<p>Residents and taxable non-residents -- The term resident is defined to include "legal residents" of the state on December 31 of the taxable year in question, persons residing in the state on a "more or less regular basis" on December 31 of the taxable year under consideration, and persons residing in the state in the aggregate for 183 days or part-days for the taxable year. Ga. Code Sec. 48-7-1(10).</p> <p>Taxable non-residents are defined to include the following: (1) every individual who is not otherwise a resident of Georgia for income tax purposes and who regularly, and not casually or intermittently, engages within Georgia, himself or by means of employees, agents or partners, in employment, trade, business, professional, or other activity for financial gain or profit, including the rental of real or personal property located within Georgia or for use within Georgia. Ga. Code Sec. 48-7-1(11)(A).</p> <p>"Taxable non-resident" as defined herein does not include a legal resident of another state whose only activity for financial gain or profit in Georgia consists of performing services in Georgia for an employer where the remuneration for such services does not exceed five percent of the income received by such person for performing services in all places during any taxable year; and (2) every individual who is not otherwise a resident of Georgia for income tax purposes and who sells, exchanges or otherwise disposes of tangible property which at that time has a taxable situs within Georgia, or of intangible property which has acquired at the time a business or commercial situs within Georgia. Ga. Code Sec. 48-7-1(11)(B).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The taxable net income of all residents defined as federal adjusted gross income less items not herein relevant. Since Georgia computes its own taxable net income on the basis of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Georgia taxable net income. Ga. Code Sec. 48-7-27.</p> <p>Georgia computes its own taxable income from Federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is specifically adopted into the computation of Georgia taxable income. Ga. Code Sec. 48-7-36.</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code).</p> <p>Taxable non-residents -- Subject to tax on net taxable income derived from certain specified activities within Georgia.</p> <p>Military personnel -- Subject to tax as residents on federal adjusted gross income less specified items.</p>
Idaho	<p>Residents, and part-year resident. The term resident is defined as any individual who during the taxable year has been domiciled in Idaho or has maintained an abode in Idaho for the entire tax year and spent more than 270 days of that year in the state. An individual will not be considered a resident if during a 15 month period he is absent from the state for at least 445 days, is not present in the state for more than 60 days, did not maintain an abode for his family in the state, was not absent to serve as an elected official, and did not claim Idaho as his tax home for Federal income tax purposes. Ida. Code Sec. 63-3013.</p> <p>The term part-year resident is defined as an individual who has changed his domicile either to or from Idaho and who has resided in Idaho for over a day. Ida. Code Sec. 63-3013A (1989).</p> <p>The term non-resident is defined as any individual who is not a resident or part-year resident. Ida. Code Sec. 63-3014.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>Taxable income of residents defined as taxable income under Sec. 63 of the Internal Revenue Code. Since Idaho computes its taxable income from federal taxable income, Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Idaho taxable income. Ida. Code Sec. 63-3022.</p> <p>The taxable income of non-residents and part-year residents to the extent it is attributable to certain specified activities within Idaho. Ida. Code Sec. 63-3026A.</p> <p>The Idaho Code provides for a credit for income taxes paid to another state or territory. The term "Income tax to another State" includes taxes paid to another state, a possession of the United States, or the District of Columbia. Ida. Code Sec. 63-3029.</p> <p>Not subject to tax on active duty compensation for services performed outside of the state. Ida. Code Sec. 63-3022(J) or retirement benefits, Ida. Code Sec. 63-3022A(4).</p>	<p>Residents -- Subject to tax on federal taxable income (above the exclusions under Secs. 911-912 of the Internal Revenue Code).</p> <p>Non-residents and part-year residents -- Subject to tax on federal taxable income attributable to certain sources within Idaho.</p> <p>Military personnel -- Not subject to tax on active duty compensation for services performed outside of the state.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Illinois	<p>Residents, part-year residents -- The term resident is defined as any individual who is in the state for other than a temporary or transitory purpose during the taxable year or who is domiciled in the state, but is absent from the state for a temporary or transitory purpose during the taxable year. 35 ILCS 5/1501.</p> <p>The term part-year resident is defined as an individual who became a resident during the taxable year or ceased to be a resident during the taxable year. 35 ILCS 5/1501 (17).</p> <p>The term non-resident is defined as a person who is not a resident. Ill. Stat. Ann. ch. 120 Sec. 15-1501(14). 35 ILCS 5/1501 (14).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted gross income of residents, with certain modifications not herein relevant. Since Illinois computes its own base income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Illinois base income. 35 ILCS 5/203.</p> <p>All income of part-year residents and non-residents attributable to certain activities within Illinois. Ill. Stat. Ann. ch. 120 Secs. 3-301, 304. 35 ILCS 5/301, 304.</p> <p>Illinois deducts from gross income any compensation paid to a resident who is a member of the armed forces of the United States while on active duty. 35 ILCS 5/203(a)(2)(E). Compensation received by any resident under any governmental retirement or disability plan is also deducted from gross income. 35 ILCS 5/203(a)(2)(F).</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code).</p> <p>Non-residents and part year residents -- Subject to tax on all income attributable to certain activities within Illinois.</p> <p>Military personnel -- Illinois deducts from gross income any compensation paid to a resident who is a member of the armed forces while on active duty.</p> <p>Military retirees are not taxed on retirement or disability income.</p>
Indiana	<p>Residents and non-residents -- The term resident is defined as any individual who was domiciled in the state during the taxable year, or any individual who maintains a permanent place of residence in the state and spends more than 183 days of the taxable year within the state. Ind. Stat. Sec. 6-3-1-12.</p> <p>The term non-resident is defined as any person who is not a resident of Indiana. Ind. Stat. Sec. 6-3-1-13.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire federal adjusted income of residents, with adjustments not herein relevant. Ind. Stat. Sec. 6-2.1-2-2.</p> <p>Since Indiana computes its own taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Indiana taxable income. Ind. Stat. Sec. 6-2.1-2-2. The federal adjusted gross income of non-residents derived from sources within Indiana. Ind. Stat. Sec. 6-2.1-2-2.</p> <p>Indiana also gives its residents and non-residents a credit against Indiana income tax for taxes paid to another state or foreign country on income subject to tax in Indiana. Ind. Stat. Secs. 6-3-3-3, 6-3-1-25.</p> <p>Indiana allows a deduction of \$2,000 per year from adjusted gross income for individuals who are members of the United States armed forces. Military retirees over 60 years of age may deduct \$2,000 in retirement or survivors' benefits. Ind. Stat. Sec. 6-3-2-4.</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code) with the possibility of a credit for foreign taxes paid.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Indiana, with the possibility of a credit for foreign taxes paid.</p> <p>Military personnel and merchant marine -- Subject to tax on military compensation with stated exclusions.</p>
Iowa	<p>Residents and non-residents -- The term resident is defined as any individual domiciled in the state, and any other individual who maintains a permanent place of abode with the state. Iowa Code Sec. 422.4(15). The term non-resident includes all individuals who are not residents. Iowa Code Sec. 422.4(10).</p> <p>The Iowa tax regulations state that unless there is evidence to the contrary, one will be presumed to be domiciled in the state if he or she exercises the right to vote, uses homestead credit or military exemption, or otherwise exercises his or her rights to suffrage. Iowa Tax Regs. subrule 38.1(9); <i>In the Matter of Fox</i>, 1996 Iowa Tax LEXIS 1996.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The entire income of the residents defined as federal adjusted gross income, with certain adjustments not herein relevant. Iowa Code Sec. 422.7. Since Iowa computes its own net income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Iowa net income.</p> <p>The net income of non-residents derived from sources within Iowa. Iowa Code Secs. 422.5(j); 422.8(2).</p> <p>Iowa also provides a credit against Iowa tax for taxes paid to another state or foreign country on income subject to tax in Iowa. Iowa Code Sec. 422.8(1).</p> <p>Since Iowa computes its own taxable income from federal adjusted gross income, the exclusion under Section 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into computation of Iowa taxable income. Iowa Code Sec. 422.7</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code) with the possibility of a credit for foreign taxes paid.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Iowa, with the possibility of a credit for foreign taxes paid.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Kansas	<p>Resident individuals and non-residents -- A resident individual is defined as a natural person who is domiciled in the state. A natural person who spends in the aggregate more than six months of the taxable year within the state is presumed to be a resident. Kan. Stat. Ann. Sec. 79-32, 109(b).</p> <p>The term non-resident is defined as an individual other than a resident individual. Kan. Stat. Ann. Sec. 79-32, 109(b).</p> <p>The Kansas tax regulations state that voting is <i>prima facie</i> evidence of domicile in Kansas. Kan. Tax Reg. 92-12-4.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of a resident individual defined as such individual's federal adjusted gross income for the taxable year, with certain modifications not herein relevant. Kan. Stat. Ann. Secs. 79-32, 110.</p> <p>(2) The taxable income of non-resident individuals defined as that portion of federal adjusted gross income derived from sources within Kansas. Kan. Stat. Ann. Sec. 79-32, 110.</p> <p>Since Kansas computes its own taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources with the United States are apparently adopted by reference into the computation of Kansas taxable income.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on that portion of federal adjusted gross income derived from sources within Kansas.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>
Kentucky	<p>Residents and non-residents -- The term resident is defined as an individual domiciled within the state or an individual who is not domiciled in the state, but maintains a place of abode in the state and spends in the aggregate more than 183 days of the taxable year within the state. Ky. Rev. Stat. Sec. 141.010(17).</p> <p>The term non-resident is defined as any individual who is not a resident of the state. Ky. Rev. Stat. Sec. 141.010(18).</p> <p>The Kentucky tax regulations specify that an individual who is permitted to file a federal income tax return as a non-resident citizen, and who immediately prior to residing in a foreign country was domiciled in Kentucky, is considered a Kentucky resident and must file a resident individual income tax return. Ky. Tax Reg. 103 KAR 17:010. See also, the following two opinions of the Kentucky Attorney General relating to this subject: Op. Atty. Gen. Ky. (July 12, 1939); Op. Atty. Gen. Ky. (May 12, 1960).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire net income of every resident individual defined as such individual's federal adjusted gross income with certain modifications not herein relevant. Ky. Rev. Stat. Sec. 141.020(1).</p> <p>(2) That portion of federal adjusted gross income of non-residents derived from sources within Kentucky. Ky. Rev. Stat. Sec. 141.020(4).</p> <p>Since Kentucky computes its own taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States and the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service are apparently adopted by reference into the computation of Kentucky taxable income. Ky. Rev. Stat. Sec. 141.020.</p>	<p>Residents -- Subject to tax on federal adjusted gross income (above the exclusions under Secs. 911-912 of the Internal Revenue Code).</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Kentucky.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Maryland	<p>Residents and non-residents -- The term resident is defined as any individual domiciled in the state on the last day of the taxable year, and every other individual who, for more than six months of the taxable year, maintains a place of abode within the state, whether domiciled in the state or not. Md. Tax & Rev. Code Ann. Sec. 10-101(h).</p> <p>The term non-resident means an individual who is not a resident. Md. Tax & Rev. Code Ann. Sec. 10-101(g).</p> <p>Evidence that a person has registered to vote in Maryland is ordinarily persuasive evidence that such person is domiciled in Maryland. <i>Comptroller of the Treasury v. Lenderking</i>, 268 Md. 613, 303 A.2d 402 (1973); <i>Roberts v. Lakin</i>, 340 Md. 147, 665 A.2d 1024 (1995).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable net income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Maryland defines its taxable net income in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into Maryland taxable income. Md. Tax & Rev. Code Ann. Secs. 10-206, 10-401.</p> <p>(2) The portion of a non-resident's federal adjusted gross income derived from sources within and without the state. Md. Tax & Rev. Code Ann. Sec. 10-401.</p> <p>Since Maryland computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of Maryland taxable income. Md. Tax & Rev. Code Ann. Sec. 10-401</p> <p>Military residents may deduct the first \$15,000 of military pay attributable to military service outside the United States. This deduction is reduced dollar-for-dollar for each dollar earned over \$15,000. Md. Tax & Rev. Code Ann. Sec. 10-207(p).</p> <p>Military retirees with federal adjusted gross income under \$22,500 may deduct \$2,500 from taxable income subject to certain conditions. Md. Tax & Rev. Code Ann. Sec. 10-207(q).</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on the portion of federal adjusted gross income derived from sources within Maryland.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Michigan	<p>Residents and non-residents -- The term resident is defined as an individual domiciled in the state. Domicile is defined as the place where a person has his true, fixed, and permanent home and principal establishment to which, whenever absent therefrom, he intends to return, and domicile continues until another permanent establishment is established. If an individual lives in the state for at least 183 days during the taxable year or more than 1/2 the days during the taxable year of less than 12 months he is deemed a resident individual domiciled in the state. Mich. Comp. L. Ann. Sec. 206.18.</p> <p>Non-resident -- The term non-resident is defined as any individual who is not a resident. Mich. Comp. L. Ann. Sec. 206.14.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined as taxable income for federal income tax purposes. However, Michigan generally taxes only income allocable to certain activities and sources within Michigan. Since Michigan defines its taxable income for federal income tax purposes, the exclusions for income earned without the United States under Secs. 911-912 of the Internal Revenue Code would apply. Mich. Comp. L. Ann. Sec. 206.30, Sec. 206.110.</p> <p>(2) The taxable income of non-residents to the extent allocable to sources within Michigan. Mich. Comp. L. Ann. Sec. 206.51, Sec. 206.110.</p> <p>Michigan deducts, to the extent included in federal adjusted gross income, compensation, including retirement benefits, received for services in the armed forces of the United States. Mich. Comp. L. Ann. 206.30(e).</p>	<p>Residents -- Subject to tax on federal adjusted gross income allocable to sources within Michigan above the exclusions of Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on taxable income allocable to sources within Michigan.</p> <p>Military personnel -- Michigan does not tax military compensation or retirement income from service in the armed forces.</p>
Minnesota	<p>Residents and non-residents -- The term resident is defined as an individual domiciled in the state or any individual maintaining a place of abode within the state and who spends over half of the tax year in Minnesota. An individual is not a resident for the period of time that the individual is qualified under Sec. 911(d)(1) of the IRC. Minn. Stat. Sec. 290.01(7).</p> <p>The Minnesota Tax Regulations state that voting in Minnesota is presumptive evidence of residence, but may be overcome by facts contrary to the presumption of residence. Minn. Tax. Reg. Sec. 1.6001; <i>Fristedt v. The Commissioner of Revenue</i>, 1984 Minn. Tax LEXIS 175.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The gross income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Minnesota defines its gross income in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Minnesota gross income. Minn. Stat. Sec. 290.01(19) <i>et seq.</i></p> <p>The net income of non-residents allocable to sources within Minnesota. Min. Stat. Secs. 290.01(22)(2); 290.06(2c)(e).</p> <p>Since Minnesota computes its own taxable income from federal adjusted gross income, the exclusion under Section 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into computation of Minnesota taxable income. Minn. Stat. Sec. 290.01</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income allocable to sources within Minnesota.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>
Missouri	<p>Residents and non-residents -- The term resident is defined as an individual who is domiciled in this state, unless he (1) maintains no permanent place of abode in this state, (2) does maintain a permanent place of abode elsewhere, and (3) spends in the aggregate not more than thirty days of the taxable year in this state, or who is not domiciled in this state, but maintains a permanent place of abode in this state and spends the in the aggregate more than 183 days of the taxable year in this state. Mo. Stat. Sec. 143.101.</p> <p>The term non-resident is defined as an individual who is not a resident of this state. Mo. Stat. Sec. 143.101.</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The Missouri taxable income of residents which is calculated on the basis of federal adjusted gross income with modifications. Since Missouri computes its taxable income from federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Missouri taxable income. Mo. Stat. Sec. 143.121.</p> <p>The income of non-residents which is derived from sources within Missouri. Mo. Stat. Sec. 143.181(1).</p> <p>Since Missouri computes its own taxable income from federal adjusted gross income, the exclusion under Section 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into computation of Missouri taxable income. Mo. Stat. Sec. 143.121</p>	<p>Residents -- Subject to tax on Missouri taxable income which excludes income from sources without the United States in the same manner as Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on income derived from sources within Missouri.</p> <p>Military personnel -- Subject to tax on payments for service in the armed services with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Nebraska	<p>Residents and non-residents -- The term resident is defined as an individual who is domiciled in the state or who maintains a permanent place of abode within the state and spends in the aggregate more than six months of the taxable year within the state. Neb. Rev. Stat. Secs. 77-2714.01(7).</p> <p>The term non-resident is defined as an individual who is not a resident of this state. Neb. Rev. Stat. Secs. 77-2714.01(4).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The entire taxable income of residents defined as federal taxable income with certain modifications not herein relevant. Neb. Rev. Stat. Secs. 77-2716. Since Nebraska computes its tax base in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code are apparently adopted by reference.</p> <p>(2) The federal adjusted gross income of non-residents derived from sources within Nebraska. Neb. Rev. Stat. Secs. 77-2733.</p> <p>Nebraska computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is adopted specifically into the computation of Nebraska taxable income. Neb. Rev. Stat. Sec. 77-27,123.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Nebraska.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>
New Mexico	<p>Residents and non-residents -- The term resident is defined as an individual who is domiciled in the state during any part of the taxable year. Any person who, on or before the last day of the taxable year, changes his place of abode to a place without the state with the <i>bona fide</i> intention of continuing actually to abide permanently without the state is not a resident. N. Mex. Stat. 7-2-2(S).</p> <p>The term non-resident is defined as every individual not a resident of the state. N. Mex. Stat. 7-2-2(Q).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The net income of every resident defined in terms of federal taxable income with certain modifications not herein relevant. Since New Mexico defines its tax base in terms of federal taxable income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income derived from sources without the United States are apparently adopted by reference. N. Mex. Stat. Sec. 7-2-3.</p> <p>(2) The net income of every non-resident derived from sources within New Mexico. N. Mex. Stat. Sec. 7-2-3.</p> <p>(3) New Mexico also allows residents a credit for taxes paid to another state. N. Mex. Stat. Secs. 7-2-13.</p> <p>Since New Mexico computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of New Mexico taxable income. N. Mex. Stat. Sec. 7-2-2.</p>	<p>Residents -- Subject to tax on net income above the exclusions under Secs. 911-912 of the Internal Revenue Code with the possibility of a credit for taxes paid to another state.</p> <p>Non-residents -- Subject to tax on net income derived from sources within New Mexico.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
New York	<p>Residents and non-residents -- The term resident is defined as: (1) an individual who is domiciled in the state unless he maintains no permanent place of abode in the state and spends not over 30 days of the taxable year within the state, or he is present in a foreign country for at least 450 days of a 548 day period, and during such 548 day period he is not in the state for more than 90 days and does not maintain a permanent place of abode in the state where his spouse or minor children are present for 90 days or more, and other conditions, or</p> <p>(2) an individual who is not domiciled in the state, but maintains a permanent place of abode within the state and spends in the aggregate more than 183 days of the taxable year within the state, unless such individual is in active service in the armed forces of the United States. N.Y. Tax Law Sec. 605(b)(1).</p> <p>The term non-resident is defined as an individual who is not a resident. N.Y. Tax Law Sec. 605(b)(2).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The adjusted gross income of residents is defined as federal adjusted gross income with certain modifications not herein relevant. Since New York defines its own adjusted gross income in terms of federal adjusted gross income, the exclusions for income earned from sources without the United States are apparently adopted by reference into the computation of New York adjusted gross income. N.Y. Tax Law. Sec. 612.</p> <p>(2) The federal adjusted gross income of non-residents derived from sources within New York. N.Y. Tax Law Sec. 631.</p> <p>Military compensation of one not domiciled in New York is not to be considered income derived from New York sources. N.Y. Tax Law Sec. 631(e).</p> <p>Since New York computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of New York taxable income. N.Y. Tax Law Sec. 612.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within New York.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>
North Dakota	<p>Residents and non-residents -- The term resident is defined as any natural person domiciled in the state and any other natural person who maintains a permanent place of abode within the State and spends in the aggregate more than seven months of the income year within the state. N.D. Code Sec. 57-38-01(6).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined in terms of federal taxable income with certain modifications not herein relevant. Since North Dakota defines its own taxable income in terms of federal taxable income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of North Dakota taxable income. N.D. Code Sec. 57-38-01.2.</p> <p>(2) The net income of non-residents derived from sources within North Dakota. N.D. Code Sec. 57-38-03.</p> <p>(3) Taxable income is reduced by:</p> <p>(a) any amount up to \$1,000, received by any person as payment for services performed while on active duty in the armed forces of the United States, as payment for attending military meetings as a member of the National Guard, or of a reserve unit. N.D. Code Sec. 57-38-01.2(1)(k)</p> <p>However, persons serving in the armed forces, except field grade and general officers who are stationed outside of any state or the District of Columbia for not less than thirty days during the tax year, shall be allowed an additional reduction of up to \$300 per month for services performed while on active duty at such location. N.D. Code Sec. 57-38-01.2(K)</p> <p>(b) any amount up to \$5,000 received by any person fifty years or older as retired military pay for service in the United States armed forces or reserve components thereof, reduced by any amount received pursuant to the Federal Social Security Act. N.D. Code Sec. 57-38-01.2(l).</p>	<p>Residents -- Subject to tax on federal taxable income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-resident -- Subject to tax on net income from sources within North Dakota.</p> <p>Military personnel -- Taxable income is reduced by:</p> <p>(a) any amount up to \$1,000, received by any person as payment for services performed while on active duty in the armed forces of the United States, or as payment for attending military meetings as a member of the National Guard, or of a reserve unit. However, persons serving in the armed forces, except field grade and general officers, who are stationed outside of any state or the District of Columbia for not less than thirty days during the taxable year, shall be allowed an additional reduction of up to \$300 per month for services performed while on active duty at each location.</p> <p>(b) any amount up to \$5,000 received by any person sixty years or older as retired military pay for service in the United States armed forces or reserve components thereof, reduced by any amount received pursuant to the Federal Social Security Act.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Ohio	<p>Residents and non-residents -- The term resident is defined as an individual who is domiciled in this state. Ohio Code tit. 57 Sec. 5747.01(I) one is presumed domiciled in the state if one spent over 183 nights in the state. One is presumed not domiciled if one spent less than 120 nights in the state. Ohio Code tit. 57 Sec. 5747.24.</p> <p>The term non-resident is defined as an individual who is not a resident. Ohio Code tit. 57 Sec. 5747.01(J).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>The adjusted gross income of residents defined as federal adjusted gross income with certain modifications not herein relevant. Since Ohio defines its own adjusted gross income in terms of federal adjusted gross income, the exclusions under which Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Ohio adjusted gross income. Ohio Code tit. 57 Secs. 5747.01(A).</p> <p>(2) The adjusted gross income on non-residents derived from sources within Ohio. Ohio Code tit. 57 Sec. 5747.01.</p> <p>Since Ohio computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is adopted specifically into the computation of Ohio taxable income. Ohio Code tit. 57 Sec. 5747.02.4.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on adjusted gross income derived from sources within Ohio.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>
Oklahoma	<p>Residents and non-residents -- The term resident is defined as any individual who is domiciled in the state. Any individual who spends in the aggregate more than seven months of the taxable year within the state shall be presumed a resident. Okla. Stat. tit. 68 Sec. 2353(4).</p> <p>The term non-resident individual is defined as an individual, other than a resident individual with special provisions for foreign earned income. Okla. Stat. tit. 68 Sec. 2353(4).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined on the basis of federal adjusted gross income with certain modifications not herein relevant. Since Oklahoma bases its taxable income on federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Oklahoma taxable income. Okla. Stat. tit. 68 Secs. 2353(3), 2355.</p> <p>(2) The federal adjusted gross income of non-residents derived from sources within Oklahoma. Okla. Stat. tit. 68 Sec. 2362.</p> <p>(3) In any taxable year the first \$1,500 received by any person from the United States as salary or compensation in any form (other than a pension) as a member of any component of the armed forces of the United States shall be deducted from taxable income. Okla. Stat. tit. 68 Sec. 2358(D)(5).</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Oklahoma.</p> <p>Military personnel -- Subject to tax on military compensation above the first \$1,500.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Oregon	<p>Residents and non-residents -- The term resident is defined as: (1) an individual who is domiciled in this state unless he (A) maintains no permanent place of abode in this state, and (B) does maintain a permanent place of abode elsewhere, and (C) spends in the aggregate not more than 30 days in the taxable year in this state; or (2) an individual who is not domiciled in this state, but maintains a permanent place of abode in this state and spends in the aggregate more than 200 days of the taxable year in this state is presumed to be a resident unless he proves that he is in the state only for a temporary or transitory purpose. Ore. Rev. Stat. Sec. 316.027(1)(a), (b).</p> <p>A non-resident is an individual who is not a resident. Ore. Rev. Stat. Sec. 316.022(4).</p>	<p>1) The entire taxable income of residents defined as federal taxable income with certain modifications not herein relevant. Since Oregon defines its own taxable income in terms of federal taxable income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently incorporated by reference into the computation of Oregon taxable income. Ore. Rev. Stat. Secs. 316.007, 316.037.</p> <p>(2) The taxable income of non-residents derived from sources within Oregon. Ore. Rev. Stat. Secs. 316.117, 316.127.</p> <p>Oregon also gives to residents a credit against Oregon income taxes for taxes imposed on the taxpayer by another state. Ore. Rev. Stat. Sec. 316.082.</p> <p>A modified foreign tax credit is allowed. Ore. Rev. Stat. Sec. 316.690.</p> <p>(3) Oregon subtracts from federal taxable income the first \$3,000 of income compensation (other than pension or retirement pay) for active service in the Armed Forces of the United States all compensation for the initial and concluding years of active service in the Armed Forces of the United States is deducted from adjusted gross income. Ore. Rev. Stat. Sec. 316.680(c).</p>	<p>Residents -- Subject to tax on federal taxable income above the exclusions under Secs. 911-912 of the Internal Revenue Code and with the possibility of a credit for foreign taxes paid.</p> <p>Non-residents -- Subject to tax on federal taxable income derived from sources within Oregon.</p> <p>Military personnel -- Subject to tax on military compensation above the first \$3,000.</p>
Rhode Island	<p>Residents and non-residents -- The term resident is defined to include both (1) domiciliaries, and (2) non-domiciliaries who maintain a permanent place of abode within the state and also reside in the state for more than 183 days of the taxable year unless he is in the armed forces of the United States. R.I. Gen. Laws Sec. 44-30-5(a).</p> <p>The term non-resident is defined as an individual who is not a resident. R.I. Gen. Laws Sec. 44-30-5(b).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The Rhode Island income of residents is defined as federal adjusted gross income with certain modifications not herein relevant. Since Rhode Island defines its own taxable income in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code are apparently adopted by reference into the computation of Rhode Island taxable income. R.I. Gen. Laws Sec. 44-30-12(a).</p> <p>(2) The taxable income on non-residents derived from sources within Rhode Island. R.I. Gen. Laws Sec. 44-30-32(a).</p> <p>Since Rhode Island computes its own taxable income from federal adjusted gross income, the exclusions under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of Rhode Island taxable income. R.I. Gen. Laws Sec. 44-30-12.</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Rhode Island.</p> <p>Military personnel -- Subject to tax on military compensation with stated exclusions.</p>
South Carolina	<p>Resident and non-resident -- The term resident means any individual who is domiciled in the state. The term non-resident means an individual other than a resident or part year resident. S.C. Code Sec. 12-7-20(13).</p>	<p>Resident - the entire taxable income on the basis of federal adjusted gross income with certain modifications, S.C. Code Sec. 12-7-410. No exclusion under 912 is allowed. S.C. Code Sec. 12-7-430(b)(4). Non-resident - subject to tax on property owned or business carried on in South Carolina. S.C. Code Sec. 12-7-450.</p> <p>Retirees may deduct up to three thousand dollars of retirement income that is taxable by South Carolina or irrevocably choose to defer annual retirement income deduction until the year the taxpayer reaches sixty-five years of age. S.C. Code Sec. 12-6-1170(1).</p>	<p>Residents -- Subject to tax on their entire net income.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within South Carolina. Resident military personnel -- Subject to state tax on all taxable income as previously defined, except combat pay.</p> <p>Non-resident military personnel -- Subject to state tax on all non-military income from sources within the state.</p> <p>Wives of military personnel -- Subject to state income tax on income earned in South Carolina.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Utah	<p>Residents and non-residents -- The term resident is defined to include domiciliaries, and individuals not domiciled in the state and residing within the state in the aggregate for over 183 days of the taxable year. Utah Code Sec. 59-10-103(j).</p> <p>The term non-resident is defined as an individual who is not a resident of the state. Utah Code Sec. 59-10-103(g).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents is defined in terms of federal taxable income with certain modifications not herein relevant. Since Utah defines its own taxable income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into Utah taxable income. Utah Code Sec. 59-10-104, 112.</p> <p>Since Utah computes its own taxable income from federal taxable income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into the computation of Utah taxable income. Utah Code Secs. 59-10-104, 116.</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Utah.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>
Vermont	<p>Residents -- The term resident is defined to include both (1) domiciliaries, and (2) non-domiciliaries who maintain a permanent place of abode within the state and reside within the state for more than 183 days of the taxable year. Vt. Stat. tit. 32 Sec. 5811(1)(A)(i), (ii).</p> <p>Non-resident -- anyone not a resident. Vt. Stat. tit. 32 Sec. 5811(9).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The adjusted gross income of residents is defined as federal adjusted gross income. Since Vermont defines its adjusted gross income in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Vermont adjusted gross income. Vt. Stat. tit. 32, Secs. 5811(1), 5822, 5823.</p> <p>(2) The adjusted gross income of non-residents derived from sources within Vermont. Vt. Stat. tit. 32, Sec. 5823.</p> <p>(3) Adjusted gross income does not include military pay for full-time active duty with the armed services outside of the state. Vt. Stat. tit. 32 Sec. 5823(a)(2).</p> <p>(4) The Vermont Code provides for a credit for income taxes paid to another state or territory upon income derived from sources within that state or territory. Vt. Stat. tit. 32 Sec. 5825.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on federal adjusted gross income derived from sources within Vermont.</p> <p>Military personnel -- Not subject to tax on military pay for full-time active duty service performed outside of the state.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Virginia	<p>Residents and non-residents -- The term resident is defined as an individual domiciled in the Commonwealth and person who maintains an abode in the state for more than 183 days of the taxable year. Va. Code Sec. 58.1-302.</p> <p>Persons in the armed forces of the United States stationed on military or naval reservations within Virginia who are not domiciled in Virginia and who maintain no place of abode in Virginia shall not be held liable to income taxation for compensation received from military or naval service. Va. Code Sec. 58.1-321(B).</p>	<p>(1) The taxable income of residents defined in terms of federal adjusted gross income with certain modifications not herein relevant. Since Virginia defines its taxable income in terms of federal adjusted gross income, the exclusion under Secs. 911-912 of the Internal Revenue Code are apparently adopted by reference into the computation of Virginia taxable income. Va. Code Sec. 58-1-322.</p> <p>(2) The taxable income of non-residents derived from sources within the state. Va. Code Sec. 58-1-325.</p> <p>Since Virginia computes its own taxable income from federal adjusted gross income, the exclusion under Sec. 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is specifically adopted into the computation of Virginia taxable income. Va. Code Sec. 58-1-322.</p>	<p>Residents -- Subject to tax on federal adjusted gross income above the exclusion under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within the state.</p> <p>Military personnel -- Subject to tax on military pay with stated exclusions.</p>
West Virginia	<p>Residents and non-residents -- The term resident is defined to include: (1) domiciliaries, unless they maintain no permanent place of abode within the state, maintain a permanent place of abode outside the state, and spend not more than 30 days of the taxable year in the state, and (2) non-domiciliaries who maintain a permanent place of abode within the state and reside within the state for more than 183 days of the taxable year. W. Va. Code Sec. 11-21-7(a).</p> <p>Non-resident is defined to mean an individual who is not a resident. W. Va. Code Sec. 11-21-7(b).</p> <p>See Soldiers' and Sailors' Civil Relief Act.</p>	<p>(1) The taxable income of residents defined in terms of federal adjusted gross income with modifications not herein relevant. Since West Virginia defines its own taxable income in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources outside the United States are apparently incorporated by reference into the definition of West Virginia taxable income. W. Va. Code Secs. 11-21-11(a), 12.</p> <p>(2) The taxable income of non-residents derived from sources within West Virginia. W. Va. Code Secs. 11-21-30, 32.</p> <p>Since West Virginia computes its own taxable income from federal adjusted gross income, the exclusion under Section 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into computation of West Virginia taxable income. W. Va. Code Sec. 11-21-11</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within West Virginia.</p> <p>Military personnel -- Subject to tax on such compensation with stated exclusions.</p>

III. STATES EXEMPTING INCOME EARNED ABROAD TO THE SAME EXTENT AS FEDERAL LAW

State	Income Tax Coverage	Tax Base	Probable Tax Obligation
Wisconsin	Residents and non-residents -- The term resident is defined as a domiciliary. Wis. Stat. Sec. 71.02(1). See Soldiers' and Sailors' Civil Relief Act.	<p>(1) The taxable income of residents defined in terms of federal adjusted gross income with certain modifications not herein relevant. Since Wisconsin defines its own taxable income in terms of federal adjusted gross income, the exclusions under Secs. 911-912 of the Internal Revenue Code for income from sources without the United States are apparently adopted by reference into the computation of Wisconsin taxable income. Wis. Stat. Secs. 71.01(13); 71.05.</p> <p>(2) The taxable income of non-residents derived from sources within Wisconsin. Wis. Stat. Secs. 71.01; 71.02. Non-residents domiciled without Wisconsin who derive income from performing personal services within Wisconsin shall be excluded from having to pay Wisconsin tax to the extent that the home domicile taxes the income. Wis. Stat. Sec. 71.05(2).</p> <p>Since Wisconsin computes its own taxable income from federal adjusted gross income, the exclusion under Section 112 of the Internal Revenue Code for compensation received for active service as a member of the armed forces of the United States for any month during which such member served in a combat zone or was hospitalized as a result of an injury incurred in such service is apparently adopted by reference into computation of Wisconsin taxable income. Wisc. Stat. Sec. 71.05</p>	<p>Residents -- Subject to tax on taxable income above the exclusions under Secs. 911-912 of the Internal Revenue Code.</p> <p>Non-residents -- Subject to tax on taxable income derived from sources within Wisconsin.</p> <p>Military personnel -- Subject to tax on military compensation with stated exemption.</p>

IV. STATES HAVING NO INCOME TAX

States	Alaska Florida	Nevada South Dakota Texas	Washington Wyoming
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